

Deed Book 40 pg. 37
Rec Jan 29, 1976
Release recorded 8-22-1983
State of South Carolina

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* MEMORANDUM OF AGREEMENT

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County of McCormick

WHEREAS, McCormick Drilling & Exploration, a Partnership, hereinafter referred to as "Company", and Jennings Gary Dorn and James M. Dorn, hereinafter referred to as "Owners", entered into an agreement dated February 25, 1975; and

WHEREAS, the parties desire to enter into a memorandum of the essential terms of the agreement in the public records of the County and State aforesaid to give notice to persons not parties to the said agreement;

NOW THEREFORE,

THIS MEMORANDUM OF AGREEMENT, made this the 30th day of September, 1975, by and between McCormick Drilling & Exploration Company, a Partnership, and Jennings Gary Dorn and James M. Dorn, Owners,

FOR AND IN CONSIDERATION of the premises, TEN AND NO/100 (\$10.00) DOLLARS, and other good and valuable considerations, the parties have agreed as follows:

A. EXPLORATION LICENSE

1. Owners have granted to the Company, its agents, employees, representatives, independent contractors and designees, the exclusive license and right to explore and prospect for deposits of gold, and other ores and minerals (but not oil, gas and other liquid hydrocarbons) on and in all or any portion of the property hereinafter described which the Company shall, in its discretion, deem appropriate. The property is described as:

ALL that piece, parcel, or tract of land, situate, lying and being on the waters of Hawe Creek, Plum Branch Township, County of McCormick, State of South Carolina, known as the Jennings Mine Tract, containing 140 acres, more or less, and being BOUNDED: on the North by lands of Scott Timber Company and Mead Timber Company (formerly lands of M. G. & J. J. Dorn, Inc.); on the East by lands of Jennings Gary Dorn, the centerline of a branch being the line; on the South by lands of Scott Timber Company and Mead Timber Company and perhaps by lands of others; and on the West by Scott Timber Company and Mead Timber Company, the centerline of a branch being the line. This is the identical tract of land by deed, conveyed to James M. Dorn and Jennings Gary Dorn from J. L. Smith, said deed being dated January 21, 1946, and recorded in the office of the Clerk of Court for McCormick County, South Carolina, in Deed Book 10, at page 621; the said James M. Dorn having thereafter by deed conveyed his undivided one-half interest therein, reserving, however, his undivided interest in the minerals thereon;

*See Release & Termination
of agreement attached.*



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SEE CONSIDERATION BOOK 2 PAGE 211

*See Deed Book 40 pg. 13 for
Termination of Conditional Redemption
Agreement of Right and Interest.*

said deed being dated December 2, 1974, and recorded in the office of the Clerk of Court for McCormick County, South Carolina, in Deed Book 38, at page 41.

2. The terms of this Exploration License shall commence on February 25, 1975, and continue for a period of six years, unless sooner terminated.

3. No equipment, tools, machinery, improvements of personal property of any nature or description brought, constructed or placed on the property by the Company shall become a fixture but all such equipment, structures, improvements and other property shall remain the property of the Company. The Company shall be entitled to remove all such equipment, tools, machinery, structures, improvements and personal property from the property at such times as it shall deem appropriate but not more than 180 days after the expiration of the Exploration License, or 24 months after the expiration of the Lease Agreement.

4. The Company shall not be liable for any damage to the property or improvements thereon, nor shall it be liable to restore the surface or subsurface, but shall pay Owners the fair market value of any crops or timber destroyed by the operations hereunder.

B. LEASE AGREEMENT

1. Owners agrees to lease the property, or any part thereof, as heretofore described to the Company, exclusively, and the Company shall have the exclusive right to lease the property or any part thereof from the Owners on the terms and conditions of the Lease Agreement dated February 25, 1975.

2. The term of the Lease Agreement shall commence upon written notice by the Company to the Owners and shall continue for a period of thirty (30) years from the date thereof, and for as long thereafter as gold and other ores or minerals shall be mined and marketed from the property in commercial quantities, with the right of the Company to renew said lease.

3. No equipment, tools, machinery, improvements or personal property of any nature or description brought, constructed or placed on the property by the Company shall become a fixture but all such equipment, structures, improvements and other property shall remain the property of the Company. The Company shall be

entitled to remove all such equipment, tools, machinery, structures, improvements and personal property from the property at such time as it shall deem appropriate but not later than 24 months after the expiration or termination of the Lease Agreement.

4. The Company shall have the right to use any available water on the property of Owners as the Company shall deem necessary. Owners shall have the right to continue to use the property for agricultural and timber cutting purposes so long as such use shall not interfere with the Company's mining operations.

5. Owners further reserve ownership in all merchantable saw-timber which may be cut or removed in the course of the mining operations hereunder.

6. The Company shall not be liable for any damages to the property incurred in connection with mining operations conducted hereunder nor shall it be required to restore the surface or the subsurface before or after expiration of the Lease Agreement, but the Company shall pay to Owners the fair market value of any timber, crops, or structures damaged by the operations hereunder.

C. PURCHASE OPTION

1. Owners grants to the Company the exclusive right and option to purchase the property hereinbefore described for a period commencing February 25, 1975, and ending on February 24, 1985, upon such terms and conditions as set forth in the Agreement between the parties dated February 25, 1975.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Agreement to be executed on the day and year first above written.

MCCORMICK DRILLING & EXPLORATION
COMPANY " THE COMPANY "

By: William Randolph Morin
William Randolph Morin, Partner

OWNERS:

Jennings Gary Dorn

James M. Dorn
James M. Dorn

Witnesses

State of South Carolina

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PROBATE

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County of McCormick

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PERSONALLY comes before me Sandra M. McKinney, who, being duly sworn, says: that she saw the within named McCormick Drilling & Exploration Company, by William Randolph Morin, Partner and Jennings Gary Dorn and James M. Dorn, Owners, sign, seal, and, as their act and deed deliver the within written Memorandum of Agreement and that she with O. Lee Sturkey, witnessed the execution thereof.

SWORN to before me this

30th

day of September, 1975.

Sandra M. McKinney
Sandra M. McKinney

O. Lee Sturkey
Notary Public for South Carolina

My Commission Expires: 7-21-82.

